

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 2, 1996

SUBJECT: **HB 2286 - SB 2466**

This bill, if enacted, will require compliance with the Tennessee Financial Responsibility Law of 1977 before registration or renewal of a motor vehicle. Compliance may be proven in two ways:

1. A certificate from an insurance company stating that a policy is in force during the period of registration that meets the requirements of the Financial Responsibility Law, or
2. A certificate issued by the Department of Safety stating that a cash deposit has been paid or a bond filed for the period of registration in the amount required by the Financial Responsibility Law.

Upon cancellation of the policy the insurer is to notify the Department of Safety within three (3) days that the vehicle no longer meets the requirements of the Financial Responsibility Law and the registration will terminate within ten (10) days. The Department of Safety is to follow the same procedure for registration with the cash deposit or bond. Any insurer that fails to make notification remains liable to the extent of the original policy.

The fiscal impact from enactment of this bill is estimated to result in a recurring increase in state expenditures of \$428,700 and one-time expenditures of \$553,400 as follows:

	Recurring	Non-Recurring
Personnel (15)	\$ 223,400	
Printing	10,000	\$ 141,400
Office Expenses	33,800	45,900
Computers	<u>161,500</u>	<u>366,100</u>
Total	<u>\$ 428,700</u>	<u>\$ 553,400</u>

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director